

Superfund Program Implementation Manual FY 06/07

Chapter III: Superfund Budget Planning Process and Financial Management

**This Page Intentionally
Left Blank**

Chapter III Superfund Budget Planning Process and Financial Management

Table of Contents

CHAPTER III: SUPERFUND BUDGET PLANNING PROCESS AND FINANCIAL MANAGEMENT ..III-1

III.A.	INTRODUCTION	III-1
III.B.	BUDGET PLANNING AND PRIORITIES	III-1
III.B.1.	<i>Budget Development Process</i>	III-1
a.	Budget Formulation (Outyear)	III-1
b.	Budget Review and Planning (Planning Year)	III-2
c.	Budget Execution (Current Year)	III-2
III.B.2.	<i>Budget Structure</i>	III-4
III.B.3.	FY06/07 Superfund Program Goals and Priorities	III-5
a.	Response Program Budget (302DD2)	III-5
b.	Homeland Security and Removal (302DC61/302D72)	III-6
c.	Enforcement Budget	III-6
d.	Federal Facilities Response Budget (302DC9)	III-7
e.	Base Realignment and Closure (302D41 and 302D41B4)	III-7
f.	Federal Facilities Enforcement Budget (302EH2)	III-7
III.C.	REGIONAL OPERATING PLAN AND ADVISE OF ALLOWANCE DEVELOPMENT	III-8
III.C.1.	<i>Allocating Superfund Resources Among the Regions</i>	III-8
III.C.2.	<i>Remedial Response Program Budget</i>	III-9
a.	Remedial Action AOA	III-9
b.	Pipeline Operations AOA	III-9
III.C.3.	<i>Homeland Security/Removal Response Program Budget</i>	III-10
III.C.4.	<i>Federal Facilities Superfund Response Program Budget</i>	III-10
a.	Base Realignment and Closure (BRAC) Budget	III-10
III.C.5.	<i>Enforcement Program Budget</i>	III-11
III.C.6.	<i>Federal Facilities Enforcement Program Budget</i>	III-11
III.C.7.	<i>Deobligating Prior Year Funds</i>	III-11
III.C.8.	<i>Budget Object Classes</i>	III-12
III.C.9.	<i>Regional Change Requests for Reprogramming Among AOAs</i>	III-12
III.C.10.	<i>Budget Sources and Associated Action Codes</i>	III-13
III.D.	SUPERFUND FINANCIAL MANAGEMENT	III-18
III.D.1.	<i>Financial Management Roles and Responsibilities</i>	III-18
a.	Regional Financial Management Office	III-18
b.	Regional Administrator (unless delegated to Regional Program office)	III-18
c.	Regional Program Office	III-19
d.	On-Scene Coordinator (OSC)	III-19
e.	Remedial Project Manager (RPM)	III-19
f.	Regional Project Officer (RPO)/ Deputy Project Officer (DPO)	III-20
g.	Administrative Support Unit	III-20
h.	Office of Financial Management (OFM)/Office of the Chief Financial Officer	III-20
i.	Office of Acquisition Management (OAM)	III-20
j.	Grants Administration Division (GAD)/Office of Administration	III-21
k.	Budget Division/OCFO	III-21

Chapter III Superfund Budget Planning Process and Financial Management

Table of Contents (continued)

l.	Cincinnati Finance Center (CFC) Office of Financial Services	III-21
m.	Research Triangle Park (RTP) Finance Center Office of Financial Services	III-21
III.D.2.	<i>Superfund Accounting Information</i>	III-21
III.D.3.	<i>Financial Data Management Systems and Tools</i>	III-24
III.D.4.	<i>Handling Financial Data in the CERCLIS Environment</i>	III-25
a.	Entering Response and Federal Facility Data into CERCLIS	III-26
b.	Entering Enforcement Programmatic Budget Data into CERCLIS	III-26
c.	Correcting Financial Data	III-26
III.D.5.	<i>The Funding Process</i>	III-28
a.	Approvals	III-28
b.	Commitments	III-29
c.	Obligations.....	III-29
d.	Payments (Outlays)	III-29
e.	Deobligations.....	III-30
III.D.6.	<i>Financial Management of Contracts</i>	III-30
a.	Contracts for Site-Specific Work	III-30
b.	Contracts for Non-Site Specific Work	III-30
III.D.7.	<i>Other Financial Vehicles</i>	III-32
a.	Interagency Agreements (IAGs)	III-32
b.	Cooperative Agreements (CA).....	III-33
c.	Superfund State Contracts (SSCs).....	III-33
III.E.	COST RECOVERY PROCESS	III-35
III.E.1.	<i>Cost Recovery Referral Development Process</i>	III-35
a.	Initiation of Cost Recovery Process	III-35
b.	Cost Documentation and Reconciliation	III-35
c.	Work Performed Documentation and Reconciliation.....	III-35
d.	Site File Maintenance.....	III-36
e.	Superfund Indirect Costs	III-36
f.	Annual Allocation.....	III-36
g.	Cashout/Special Accounts	III-36
h.	Department of Justice (DOJ) Involvement.....	III-36
III.F.	SUPERFUND FINANCIAL CONTACT INFORMATION	III-37
III.F.1.	<i>Regional Superfund Cost Recovery Contacts</i>	III-37
III.F.2.	<i>Headquarters Superfund Cost Recovery Contacts</i>	III-38
III.F.3.	<i>Regional Budget Coordinators</i>	III-39
III.F.4.	<i>Subject Matter Experts</i>	III-40

Chapter III Superfund Budget Planning Process and Financial Management

List of Exhibits

EXHIBIT III-1. BUDGET TIMELINE*.....	III-2
EXHIBIT III-2. PROGRAM RESULTS CODE (PRC)	III-5
EXHIBIT III-3. <u>ACTION CODES FOR FINANCIAL TRANSACTIONS SORTED BY CERCLIS ACTION NAME</u>	<u>III-13</u>
EXHIBIT III-4. ACCOUNT NUMBER STRUCTURE.....	III-23
EXHIBIT III-5. HANDLING FINANCIAL DATA IN THE <u>CERCLIS</u> ENVIRONMENT	III-27
EXHIBIT III-6. EPA FORMS COMMONLY USED FOR SUPERFUND PROCUREMENTS	III-31
EXHIBIT III-7. REGIONAL COST RECOVERY CONTACTS	III-37
EXHIBIT III-8. <u>HEADQUARTERS SUPERFUND COST RECOVERY CONTACTS</u>	<u>III-38</u>
EXHIBIT III-9. REGIONAL BUDGET COORDINATORS	III-39
EXHIBIT III-10. <u>HEADQUARTERS SUBJECT MATTER EXPERTS</u>	<u>III-40</u>

**This Page Intentionally
Left Blank**

CHAPTER III

SUPERFUND BUDGET PLANNING PROCESS AND FINANCIAL MANAGEMENT

III.A. INTRODUCTION

This chapter discusses the impact of the Superfund Comprehensive Accomplishments Plan (SCAP) process on the development of the outyear budget, the regional operating plan and the quarterly Advice of Allowance (AOA) process, and outlines Superfund financial management responsibilities. Provided in this chapter is general information on the Fiscal Year (FY) 06/07 response, enforcement, and Federal facility programmatic budgets including funding priorities. Also included is a comprehensive list of actions and the appropriate budget source to fund those actions.

Budget resources are categorized as programmatic and/or administrative resources. Examples of Superfund programmatic expenses are obligations and expenditures for site assessment, cleanup, enforcement, regulation development support, and congressionally directed reports. Examples of administrative expenses are staff related costs, salaries, and overhead. This chapter focuses on the programmatic budget process; it does not discuss administrative resources. The latter half of the chapter focuses on financial management including HQ and regional roles and responsibilities, the tools and systems used to track financial information, the various funding mechanisms available to EPA to support Superfund cleanup, and the cost recovery process. Finally, the last section of the chapter provides listings of the Superfund contacts in both HQ and the regions for various aspects of the budgeting and financial management process.

III.B. BUDGET PLANNING AND PRIORITIES

III.B.1. Budget Development Process

The budget process is ongoing and in any given month activities may be taking place for several budget years at the same time. For instance, in FY06, the FY08 (outyear) budget is being formulated, the FY07 budget (planning year) is being reviewed and amended, and the FY06 budget (current year) is being implemented.

a. Budget Formulation (Outyear)

The budget formulation process begins in the spring, eighteen months prior to the start of the FY for which the budget is being prepared. The budget is submitted to Office of Management and Budget (OMB) approximately fourteen months prior to the beginning of the fiscal year. This means that SCAP data existing in the second quarter of FY 06 is used to formulate the FY 08 budget request. The schedules for all response, enforcement, Federal facilities and BRAC activities, the planned obligations for Remedial Actions (RAs), and non time-critical removal actions reflected in [CERCLIS](#) serve as the foundation for determining the dollar levels to be requested in the budget and the total level of Full-time Equivalents (FTEs) to be made available for distribution. As such, high quality site planning data are essential.

Budget formulation is guided by the Agency's Strategic Plan, Administration initiatives, and other emerging priorities. These initiatives and priorities are defined through a series of executive level planning and decision meetings which take place in the late Spring and early Summer.

The EPA budget requests based on [CERCLIS](#) data, are developed by the Program offices and sent to the AA OSWER and then to the Administrator in June/July. The Administrator then makes final decisions concerning the budget requests and passes them back to the program offices for revision. The Agency submits its budget to OMB in the August/ September time frame and usually receives OMB's passback in late November or early December. The final budget, or Annual Performance Plan and Congressional Justification, is typically submitted by the President to Congress by the first Monday in February for the new fiscal year beginning on October 1st.

b. Budget Review and Planning (Planning Year)

The second phase of the budgeting process involves revising the budget to the extent possible and determining the allocation of funds for the regions for the upcoming fiscal year.

In the third quarter, HQ prepares the preliminary regional operating plan based on the President's budget request to Congress. In addition, program goals and priorities are first reviewed with the Administrator and then presented to the Regional Administrators. In some years, the appropriation is not enacted by the start of the fiscal year, and Congress passes a Continuing Resolution to fund the government until a final appropriation is enacted. Any increases, reductions or mandated redirections are reflected in the Agency's operating plan (generally 60 to 90 days after enactment of appropriations). In the fourth quarter, HQ reviews and analyzes regional planned financial information from [CERCLIS](#) and discusses the proposed operating plan with the regions during the annual work planning sessions.

c. Budget Execution (Current Year)

Once the fiscal year begins and the appropriation is made, an operating plan is submitted to Congress for approval and a portion of the operating plan is allocated to the regions through advices of allowance (AOA).

Exhibit III.1 provides a timeline of the FY 06, FY 07, and FY 08 budget/financial activities. Timing for some activities is dependent on the completion of other actions; e.g., on occasion Congress does not pass an appropriation by the beginning of the fiscal year. The first quarter AOA is not issued until there is an appropriation and the Interim Operating Plan is loaded in the Agency's Budget Automated System. In recent years this has occurred as late as February.

**EXHIBIT III-1.
BUDGET TIMELINE***

Month, Year	Outyear Budget (FY 08)	Planning Year Budget (FY 07)	Current Year Budget (FY 06)
August 2005			<p>Congress appropriates dollars to the Agency in the form of an annual appropriation or continuing resolution.</p> <p>EPA submits Agency Operating Plan to Congress for approval</p> <p>AA SWER and OC approve allocation of the first and second quarter portion of the AOA for the response budget</p> <p>AA OECA and OC approve allocation of the initial technical enforcement AOA and the full year AOA for the legal case budget</p>

Month, Year	Outyear Budget (FY 08)	Planning Year Budget (FY 07)	Current Year Budget (FY 06)
November 2005		OMB passback of budget request	
December 2005	Revision to the Agency Strategic Plan begins.	HQ appeal of the OMB budget passback	December 31 is the end of the first quarter.
January 2006		President's Budget submitted to Congress	
March 2006		Congressional Appropriation Hearing on President's Budget	Agency typically has determined how to allocate prior year carryover. Operating plan typically has been enacted and loaded into IFMS which becomes opened to reprogrammings. Third quarter response AOAs and remaining enforcement AOA calculated March 31 is the end of the 2 nd quarter.
April 2006	Annual Planning Meeting for FY08 held	HQ prepares preliminary regional operating plan	Mid-year assessment held to evaluate utilization of regional programmatic budgets AA SWER and OC approve third quarter AOA for response AA OECA and OC approve final planned AOA for enforcement HQ summarizes resource distribution by function and statutes
May 2006		Regions generate their plan Meeting with the Administrator to review program goals	
June 2006	HQ pulls financial planning information from CERCLIS Investments presented to the Administrator/ Regional Administrators Administrator and OC provide policy for budget formulation	Regions generate their plan. HQ pulls financial planning information from CERCLIS Goals and priorities presented to the Administrator/Regional Administrators	Fourth quarter response AOAs calculated June 30 is the end of the 3 rd quarter.

Month, Year	Outyear Budget (FY 08)	Planning Year Budget (FY 07)	Current Year Budget (FY 06)
July 2006 	Superfund investment summaries submitted to the Administrator and budget proposal to OC Presentation made to Administrator/Deputy Administrator (DA) on program priorities Administrator passback	HQ reviews and analyzes regional budget request	AA SWER and OC approve fourth quarter response AOAs HQ pulls target/accomplishment and financial data from CERCLIS for analysis of regional obligation/commitment rate
August 2006 	HQ pulls data from CERCLIS for the development of the budget for submission to OMB HQ develops strategy for presenting the budget to OMB HQ submits budget to OMB	HQ/regional work planning sessions held to establish mid-year and end-of-year budget/targets and operating plan (may be held off until first quarter time frame).	HQ continues to pull target/accomplishment and financial data from CERCLIS for analysis of regional obligation/commitment rate
September 2006		First and second quarter AOA calculated	HQ continues to pull target/accomplishment and financial data from CERCLIS for analysis of regional obligation/commitment rate September 30 is the end of the 4 th quarter and end of the fiscal year.

* Reprogramming does not take place until the Agency has an operating plan enacted by Congress.

III.B.2. Budget Structure

Program Results Code (PRC)

The Agency's financial strategic architecture is designed to reflect the Agency's Strategic Plan and annual commitments made under the Government Performance and Results Act (GPRA). The Program Results Code (PRC) is a nine character field within the Agency's financial management system account number that identifies the goal, objective, National Program Manager (NPM), Program/Project, and Agency Activity associated with the resources that are allocated, obligated, or disbursed:

- Resources for Superfund cleanup and response activities and the civil enforcement program are primarily found under Goal 3, Objective 02 (the first 3 positions of the PRC).
- The most common NPMs (4th position of the PRC) associated with Superfund are OSWER (NPM "D") and OECA (NPM "E")
- Program/Projects (5th and 6th positions of the PRC) within the Superfund program further distinguish the nature of the work within each program office (Homeland Security – "72", Emergency Response and Removal – "C6", Enforcement – "C7", Federal facilities – "C9", Remedial – "D2", and Federal facility Enforcement – "H2").

- The 7th position of the PRC identifies the Agency Activity that must be assigned to each financial transaction. Within the Superfund program the codes most frequently used are Environmental Program Implementation – “C”, Financial Assistance to Non-Governmental Organizations – “D”, and Financial Transfer to Governmental Organizations – “E”.
- The 8th and 9th positions of the PRC are reserved for special use.

It is important to distinguish among Superfund resources because Congress establishes Superfund spending caps in the appropriations report language. These spending caps are referred to as functions. Functions are currently defined as 1) Response, 2) Enforcement, 3) Management and Support. Exhibit III.2 shows PRCs that support key program areas. The exhibit also identifies the special tracking codes of the Advices of Allowance (AOA) that the Response program uses to allocate resources to the regions. See Section III.C.2.

**EXHIBIT III-2.
PROGRAM RESULTS CODE (PRC)**

Program	Program Results Code	Special Tracking Code (AOA Code)
Remedial Program		
Remedial Action	302DD2	R
Pipeline Operations	302DD2	P
Removal Program		
Removal Actions	302DC6	E
Removal Support	302DC6	S
Homeland Security	302D72	C
Federal facility Response	302DC9	F
BRAC (non-site)	302D41	none
BRAC (site-specific)	302D41B4	none
Enforcement - Technical and Legal	302EC7	none
Federal facility Enforcement	302EH2	none

For further discussion on Superfund accounting information, please see section III.D.2 in this chapter.

III.B.3. FY06/07 Superfund Program Goals and Priorities

The FY06/07 Superfund budget reflects a continued commitment to implementing GPRA with emphasis on completing construction at contaminated waste sites and maximizing PRP involvement in site cleanup. Each Program Budget addresses a different set of goals and priorities to achieve these aims.

a. Response Program Budget (302DD2)

The response program budget provides funds for:

- Site assessment and listing the highest risk sites on the NPL;

- Fund-financed Remedial Investigation/Feasibility Study (RI/FS), Remedial Design (RD), and Remedial Action (RA) projects;
- Oversight of all RP-lead RI/FS, RD, RA, and removal projects;
- Post Construction activities including Five-Year Reviews;
- Core Program cooperative agreements which assist states and tribes in developing infrastructure to support the federal Superfund program;
- Support activities, such as laboratory support;
- Community involvement;
- Support for redevelopment and reuse of Superfund sites after cleanup;
- Information management/data quality;
- New Non-time critical (NTC) removal actions above base removal budget;

The first priorities for response funding are classic emergencies and activities at sites that will be used to meet the national construction completion goals. Ongoing RAs, mixed funding, and mixed work projects receive priority for funding over new cleanup work. New Fund-financed cleanup work (with the exception of emergency and time-critical removal actions) will be subject to priority ranking by the National Risk-Based Priority Panel and will be screened to ensure actions have been taken to compel all appropriate PRPs to conduct the cleanup. The Panel consists of representatives from each region and HQ (OSRTI and OSRE) and utilizes a risk-based environmental priority setting approach. New cleanup work is funded based on actual or potential risks to human health and the environment as well as the need to maintain construction progress. Determination on whether a project represents new or existing work will be made by the Panel. New cleanup work consists of large removal actions that exceed funding levels available within a region's baseline removal budget, as well as cleanup activities at sites where no previous actions have taken place. The panel meets one or more times a year for evaluation of projects.

b. Homeland Security and Removal (302DC61/302D72)

- Emergency and time critical removal actions to address the region's highest priority response actions at NPL and non-NPL sites to ensure that worst sites are being addressed first; and
- Homeland security readiness and response.

c. Enforcement Budget (302EC7)

The enforcement budget is a combination of technical enforcement and legal enforcement resources. Both are funded under the OECA NPM. The enforcement case budget, both technical and legal, provides support for accomplishing goals and priorities, including:

- Promoting early and comprehensive potentially responsible party (PRP) searches;
- Maximizing PRP participation in removal and remedial actions (including PRP lead RI/FS) by entering into settlements or issuing UAOs to all appropriate parties;
- Entering into fair settlements (e.g., *de minimis*, ability to pay, and orphan share);

- Ensuring timely collection of oversight costs;
- Monitoring and ensuring compliance of PRP performance and payment obligations under administrative orders, consent decrees, and judgements; and addressing substantial noncompliance in a timely manner; and
- Addressing all cost recovery cases with total outstanding costs greater than \$200,000 for SOLs that may expire during or within six months of the budget year.

d. Federal Facilities Response Budget (302DC9)

The Federal facilities response budget provides support for response work at all NPL Federal facilities. The following activities are priorities:

- Involving communities and local governments in the cleanup decision process;
- Maintaining ongoing oversight of response actions;
- Expediting response where possible;
- Construction Completions;
- Five Year Reviews; and
- Promoting Reuse of Federal facilities.

Programmatic funds can be used for Base Realignment and Closure sites where oversight is needed.

e. Base Realignment and Closure (302D41 and 302D41B4)

The BRAC budget, with reimbursable resources coming from DoD, supports EPA's participation in expediting the disposal and restoration of closing and realigning military bases to safe and productive reuse as quickly as possible while fulfilling its mandate to protect human health and the environment. This program is established through an MOU with DoD and has been in place since 1994. The MOU provides that EPA will support DoD to accelerate environmental restoration and property transfer activities and report regularly to DoD on the status of BRAC I-IV installations. BRAC activities:

- Promote community involvement;
- Expedite environmental restoration and property transfer;
- Provide oversight and technical assistance;
- Support up-front planning and scoping; and
- Maintain remedies that protect human health and the environment.

f. Federal Facilities Enforcement Budget (302EH2)

The Federal facilities enforcement budget provides support for Federal Facility Agreement (FFA) (also known as Interagency Agreement (IAG)) negotiation activities as well as activities that ensure compliance with the FFAs. Specifically, 302EH2 provides support for:

- Negotiating FFAs /IAGs with Federal facilities listed on the NPL;
- Negotiating FFA/IAG amendments;
- Monitoring milestones and conducting oversight of all enforceable requirements to ensure proper implementation of signed FFA/IAG; and
- Dispute resolution activities (as defined within each FFA).

III.C.. REGIONAL OPERATING PLAN AND ADVICE OF ALLOWANCE DEVELOPMENT

III.C.1. Allocating Superfund Resources Among the Regions

Superfund appropriation resources are primarily classified into three functional categories based on congressional direction: Response, Enforcement, and Management and Support. Within these functions, several National Program Managers and their Offices have responsibility for managing and allocating the Superfund appropriation resources. Within the Response function, this manual focuses on the allocation of regional programmatic resources for the Superfund Remedial Response, Federal facilities Response, and Homeland Security/Emergency Response programs. Within the Enforcement function, this manual applies to the programmatic resources associated with the Superfund Enforcement and Federal facilities Enforcement programs. This manual does not discuss Superfund appropriation resources related to the Management and Support function.

Each Superfund program addressed here has specific procedures for allocating programmatic resources among the regions, using Advices of Allowance (AOAs) to control and track resource use. Within each AOA, regions are required to plan obligations in [CERCLIS](#). Obligations and expenditures are also tracked by AOA through the Integrated Financial Management System (IFMS) accounting code structure.

The Superfund Comprehensive Accomplishments Plan (SCAP) refers to both the annual work planning process for projecting accomplishments for a subject fiscal year and for the accomplishment reporting mechanism. Within the SCAP process, regions plan obligations either site-, project-, OU-, or non-site specifically within each AOA. Some planned obligations are associated with specific site activities, while other planned obligations are estimates of total funding required for an activity within a region (i.e., contract bulk funding). The [CERCLIS](#) database has been designed to accommodate site- and non-site specific planning, although regions should plan obligations site-specifically to the maximum extent practicable. Regions should also be certain all their programmatic funding needs are reflected in [CERCLIS](#) and correspond with the appropriate program AOA.

Regions are responsible for managing the funds issued in each AOA, and for operating within budget ceilings, floors, and other restrictions, and may not shift among functions (Response, Enforcement, and Management and Support). To the extent practicable, the regional budget for each AOA must balance at all times with the sum of actual obligations, open commitments to date, and remaining planned approved (discussed below) obligations. Planned and actual obligations of funds recertified to the regions should be included in the “approved” regional budget. Regions should also enter planned obligations in [CERCLIS](#) for reimbursable account resources (i.e., settlement and state cost share resources) as “approved,” using the appropriate AOA codes.

Generally, funds may be shifted within a function between programmatic and administrative budget object classes (BOCs) and may be reprogrammed between Allowance Holders and/or regions as long as they remain within the designated function. In all cases, the region must update [CERCLIS](#) whenever funds are redirected/reprogrammed from their planned use. Headquarters must approve in advance the reprogramming of any resources among AOAs.

The Headquarters program offices regularly review IFMS obligations against the AOAs. During the last quarter of the year, OSWER and OECA will work with the regions as necessary to ensure that all AOAs and obligations are aligned prior to year-end closing.

III.C.2. Remedial Response Program Budget

The Remedial Response program budget includes two AOAs, Remedial Action and Pipeline Operations, which are managed by the Office of Superfund Remediation and Technology Innovation (OSRTI). Each year, Headquarters determines the amount of resources to allocate these AOAs based on the process for developing the Agency's annual Operating Plan.

a. Remedial Action AOA

Regions are required to enter all planned obligations site-specifically in [CERCLIS](#) within the Remedial Action AOA (AOA account code R), which includes remedial actions, long-term response actions, five-year reviews, and non-time-critical removals at NPL sites. The funding status of all planned obligations initially must be designated as "alternate" in the Remedial Action AOA in [CERCLIS](#).

Through the annual work planning process, OSRTI will develop a Remedial Action AOA funding plan using planned obligation data from [CERCLIS](#), projections of the availability of funds, and National Risk-Based Priority Panel project rankings. Once OSRTI issues its initial funding plan, regions must switch the funding status designation in [CERCLIS](#) from "alternate" to "approved" for the selected site-specific obligations. Planned obligations of funds that are recertified to a region in the Remedial Action AOA should also be designated as "approved." Those planned obligations that maintain the "alternate" designation should include only the activities the region would conduct if additional resources become available and will form the basis for additional funding decisions. During the course of the year, regions must continuously update planned "alternate" obligations to accurately reflect the current year's additional funding needs.

Once an appropriation is enacted, Headquarters will allocate, pursuant to the Agency Interim and Final Operating Plans, funds to the regions based on the OSRTI Remedial Action AOA funding plan. Regions are required to obtain OSRTI approval of any proposed changes to the funding plan greater than \$100,000, (e.g., shift resources among sites or activities within the Remedial Action AOA) and record all changes to planned obligations in [CERCLIS](#). If the fiscal year begins without an enacted appropriation, Headquarters will allocate available resources to each region on a case-specific basis until an appropriation is enacted and the Operating Plan is approved.

Because of the changing needs of the regions during the course of the year, OSRTI will continually monitor regional obligation rates and usage of the Remedial Action AOA resources. Based on mid-year regional reviews, OSRTI will update the Remedial Action AOA funding plan to reflect changes in regions' resource needs as well as additional resources that may become available (e.g., through deobligations). However, on a case-specific basis, OSRTI also may issue additional resources to a region or allow it to use existing resources for work that is not included in the funding plan. Unless otherwise directed by OSRTI, and except for deviations of \$100,000 or less, regions are required to return to Headquarters, through the reprogramming process, allocated resources that will not be used according to the funding plan. OSRTI will include these resources in a national resource pool from which it will fund remaining program priorities. Regions may not shift resources into or out of the Remedial Action AOA without prior OSRTI approval.

b. Pipeline Operations AOA

The Pipeline Operations AOA (AOA account code P) is distributed among the regions based on the Pipeline Allocation Model. A portion of the allocation is based on historical allocations and the remaining portion is based on a work-based scoring system. At the initiation of the annual work planning process OSRTI will provide general guidance regarding its projections of the funding that will be available to the regions through the Pipeline Operations AOA. Using this information, each region will develop its Pipeline Operations AOA portion of its program operating plan and enter its planned obligations and accomplishments into

[CERCLIS](#). Pursuant to work planning discussions with Headquarters and refined resource allocation projections based on the Pipeline Allocation Model, regions will finalize their program operating plans in [CERCLIS](#). OSRTI will then finalize the Pipeline Operation AOA allocation using the Pipeline Allocation Model.

Planned obligations for regional activities within this AOA must fall within the total identified level, and should be shown in [CERCLIS](#) by selecting "approved" from the Funding Status drop down list associated with the appropriate AOA category on the Budget Allowance Detail Backup screen. Funding needs above the Headquarters proposed total budget level must be designated as "alternate."

At the beginning of the fiscal year Headquarters will issue 60% of the Pipeline Operations AOA among the regions. Headquarters will issue 20% of the AOA at the beginning of each of the 3rd and 4th quarters. If a region's commitment/obligation rate is less than 50% at the end of the second quarter, Headquarters may delay the remaining allocation to the region and renegotiate the region's program operating plan for the remainder of the year, which could result in a reduction in the region's budget. If the fiscal year begins without an enacted appropriation, Headquarters will allocate an equivalent share of the available resources to each region until an appropriation is enacted and the Operating Plan is approved. Funds from the Pipeline Operations AOA may not be moved to any other AOA without prior OSRTI approval.

III.C.3. Homeland Security/Removal Response Program Budget

The Homeland Security/Removal response program budget was created in FY 2004. This budget has been created as a result of increased emphasis on homeland security and a FY 2003 OSWER reorganization that shifted responsibility for the removal program from OSRTI to the Office of Emergency Management (OEM).

III.C.4. Federal Facilities Superfund Response Program Budget

In FY 2005, an 'A' allowance was established in IFMS for Superfund Federal facilities Response programmatic resources. Under the 'A' allowance (e.g., 1A00F = Region 1's Federal facility programmatic resources) each region will receive 50% of their portion of the approved budget request during the first quarter, provided that the Agency has an enacted budget, and the remainder during the third quarter. Regional Superfund Federal facilities Response budgets are determined during the annual workplanning sessions. If a region has a low obligation rate, discussions will be held prior to third quarter distribution as to whether there is a need for the remainder of the funds. To request additional funds, a region should contact FFRRO. Please include the amount needed and a justification for the funds.

Funds may be redirected within the Federal facilities AOA to other BOCs and to other regions or Headquarters offices, but may not be moved out of the Federal facilities AOA without the FFRRO office director's prior approval.

a. Base Realignment and Closure (BRAC) Budget

BRAC - To assist the Department of Defense (DoD) with cleaning up and transferring selected BRAC properties, DoD provides dollars to EPA to cover the cost for those employees working in the BRAC program. Once DoD receives transfer authority, the U.S. Army transfers half of the BRAC allocation to EPA via a Military Interdepartmental Purchase Request (MIPR). Once a fully executed Interagency Agreement (IAG) has been processed by Headquarters Grants Administration Division, resources are distributed via a reprogramming to the various Allowance Holders. Although resources are not loaded into IFMS on an installation-specific basis, DoD's funding notification letter indicates the FTE ceiling for each installation. To increase or decrease the funding level for any BRAC installation, regions must receive prior approval from Headquarters.

III.C.5. Enforcement Program Budget

The Enforcement program budget includes 302EC7 OECA Superfund Enforcement technical and legal resources, that are managed by the Office of Site Remediation Enforcement and 302JC7 which are OCFO Superfund Enforcement financial management resources. The initial operating budget for technical enforcement is allocated based on each region's share of the usage rate (as measured by expenditures for the current year to date and the preceding year) for enforcement activities. Headquarters allocates 60% of the President's budget request (if there has been congressional appropriation committee mark-up, it will be the lesser of the two) in the early phases of the Operating Plan. This initial allocation will be made available in the Interim Operating Plan for spending as soon as the appropriation is passed by Congress and signed by the President.

An additional allocation will be made in the third quarter of the fiscal year for technical enforcement. OSRE will issue a call to the regions late in the second quarter for requests for additional funding. Emphasis will be placed on funding program priorities which will be outlined in the call. The call will consider all sources of funding not previously allocated, including the remaining new obligating authority not allocated in the Interim Operating Plan, carryover of funds from the previous year, projected reprogramming, and a projection of regional resources to be deobligated and recertified. This second allocation of funds will be distributed in the third quarter.

The legal enforcement budget is allocated equally between all ten regions and made fully available in the Interim Operating Plan. Funds must not move into or out of the Enforcement function without Congressional approval. Funds may be redirected within the Enforcement AOA to other BOCs and to other regions or Headquarters offices.

III.C.6. Federal Facilities Enforcement Program Budget

The Federal facilities Enforcement program budget consists of two components, an EPM appropriation and a Superfund appropriation, which are managed by the Federal facilities Enforcement Office. At the beginning of the fiscal year, FFEO informs the regional Federal facility Program Managers the amount each region is allocated. The regions are requested to provide FFEO with prioritized requests for resources, not to exceed the allocated amount. The resources consist of New Obligating Authority (NOA), and carryover of prior year funds. The funds are disbursed by project, and monitored by Headquarters.

Funds may not move into or out of the Enforcement function without Congressional approval. Funds may be redirected within the Federal facility Enforcement AOA to other BOCs and to other regions or Headquarters offices.

III.C.7. Deobligating Prior Year Funds

Potential sources of funding are obligations made in prior years where all payments have been made, the obligation is inactive, and there remains an unliquidated balance. Once it has been determined by the appropriate EPA official that the unliquidated obligation is not needed, that amount may be deobligated. As a no-year appropriation, Superfund dollars which are obligated before the end of a given fiscal year and deobligated in a subsequent year may be recovered by the Agency and obligated again in that same year. These funds are reapportioned to the Agency by OMB and reissued to the Allowance Holders through a process called recertification. All recertified funds must be obligated within the fiscal year of deobligation.

Each year, the Annual Planning and Budget Division in the Office of the Chief Financial Officer along with OSRTI, OSRE, and OEM jointly issue the Superfund Deobligation Guidance with OSRE. It explains the general procedures for deobligation of funds and the specific procedures as required by the National Program Manager (NPM) for the recertification of funds.

The deobligation of prior year funds is a good fiscal management practice and one which helps offset shortfalls in the Superfund budget. Regions should actively pursue deobligation of prior year funds. Projects prime for deobligation include Interagency Agreements (IAGs) with the U.S. Army Corps of Engineers (USACE) where the projects have been completed, Fund-lead RAs taken over by the PRPs, and Fund-lead RAs where the actual construction contract award and oversight costs will be significantly less than the funds obligated. Expired contracts are another prime source of funds available for deobligation. Regions may request that their share of deobligated funds be recertified and returned to the region to address priority needs. Headquarters will work with the OCFO to ensure that any funds deobligated are returned to the region through the recertification process following the guidelines established in the Superfund Deobligation Policy.

III.C.8. Budget Object Classes

Resources are used for funding programmatic needs and are divided into several different budget object classes (BOCs). This includes Contracts and Interagency Agreements (IAGs) - BOC 37; Grants and Cooperative Agreements - BOC 41; and Expenses - BOC 36. In addition, Site-Specific Travel - BOC 28 is also funded using programmatic dollars.

Travel is traditionally managed as an administrative expense, but in the Superfund budget structure, site-specific travel is considered a programmatic expense. As such, program dollars can be used to fund site-specific travel. Regions can use up to \$150,000 or 0.5% (whichever is greater) of their Pipeline Operations AOA to support site-specific travel. Regions need to prioritize their program funding needs since dollars for site-specific travel must come out of the regional programmatic budget allocation. Funds may be reprogrammed between object classes without Headquarters approval. Headquarters will not increase a region's budget or AOA to replace programmatic funds used for site-specific travel.

III.C.9. Regional Change Requests for Reprogramming Among AOAs

In some situations, a reprogramming is required as a result of regional changes to the SCAP. Exhibit III.4 identifies flexible funding and other situations where an AOA change request is required. Headquarters will not approve a change request unless [CERCLIS](#) is revised to reflect the change. Regions should submit all change requests to the appropriate OSWER or OECA contact via e-mail. The following information should be provided for a change request:

- Purpose/justification;
- Amount;
- Site name if the AOA is issued site-specifically;
- Program Results Codes; and
- Allowance that is being increased and/or allowance that is being decreased.

If the change request is a reprogramming of funds between AOAs, the net change should equal zero. The change request must be transmitted by authorized personnel in the region's financial office. The site-specific record in [CERCLIS](#) should be revised when the change request is transmitted. Regions should not initiate any obligations against the change until the OC and OSWER or OECA approve the revised AOA. Change requests generally take two weeks to process and approve. There is a \$500,000 limit for reprogramming between program results codes (per action), and the request must be approved by the OC.

III.C.10. Budget Sources and Associated Action Codes

Exhibit III.3 identifies the major actions and the appropriate budget source (depending on the project/action lead) for planned obligations, as well as the AOA category under which each action falls.

EXHIBIT III-3.**ACTION CODES FOR FINANCIAL TRANSACTIONS SORTED BY CERCLIS ACTION NAME**

Superfund Programmatic Action Codes to Be Used for Financial Transactions, Sorted by CERCLIS Action Name					
Action Name	Action Code	PRC	SAs	Site Des.	Lead
Administrative Records	AR	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S S S S	CG, F, S, TR FF CG, F, S, TR FE, SE
Aerial Survey	AS	302DC6& 302DC9& 302DD2&	S FF P	S, WQ, ZZ S, WQ, ZZ S, WQ, ZZ	CG, F, S, TR, RP, PS, MR FF CG, F, S, TR, RP, PS, MR
Alternative Dispute Resolution	AD	302DD2& 302EC7&	P E	S, WQ, ZZ, 00 S, WQ, ZZ, 00	CG, F, S, TR, PS FE, SE
Bulk Funding (Outlays must not be charged to the WQ code, and with the exception of Core Program funding must be action- and site-specific)	WQ	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S, WQ, ZZ S, WQ, ZZ S, WQ, ZZ S, WQ, ZZ	F FF F FE
CERCLA Criminal Litigation	CC	302EC7& 501E52&	E E	E S	HQ only may use 302EC7& Not in CERCLIS
Claim in Bankruptcy Proceedings	CB	302EC7&	E	S	FE
Combined PA/SI	NX	Not Available--Use Generic PA/SI (QB)			
Combined RI/FS	CO	302DD2&	P	S	F, S, TR, SA, SS, ST
Community Involvement (Non-Federal facility) (Regions may plan using the 'WQ' SSID but must obligate site-specifically)	CR	302DC6& 302DD2&	S P	S S	F, S, TR, RP, PS, MR F, S, TR, RP, PS, MR
Compliance Enforcement	UZ	302EC7&	E	S	FE, SE
Contract Management	JU	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00	F FF F FE
Contract Program Management (Administrative)	QC	Not Available--Use Contract Management (JU)			
Cost Recovery Decision Document	DD	Not Available--Use NPL PRP Search (NS) or Non-NPL PRP Search (RP)			
Cost Recovery Negotiation	NE	302EC7&	E	S	FE, SE
Deletion from NPL	ND	Not Available--Use Administrative Records (AR)			
Design Assistance	DA	302DD2&	P	S	F, S, TR, RP, PS, MR
Ecological Risk Assessment	JF	Not Available--Use Risk/Health Assessment (ED)			
Enforcement Contract Management	TM	Not Available--Use Contract Management (JU)			
Engineering Evaluation/Cost Analysis (EE/CA)	EE	302DC6& 302DC9& 302DD2&	S FF P	S S S	CG, F, S, TR, RP, PS, MR, SA, SS, ST FF CG, F, S, TR, RP, PS, MR, SA, SS, ST

Superfund Programmatic Action Codes to Be Used for Financial Transactions, Sorted by CERCLIS Action Name					
Action Name	Action Code	PRC	SAs	Site Des.	Lead
ESI/RI	SS	302DD2&	P	S	F, S, TR
Expanded Site Inspection (ESI)	ES	302DD2&	P	S	F, S, TR
Feasibility Study	FS	302DD2&	P	S	F, S, TR, SA, SS, ST
Federal Facility and BRAC General Support and Management	TX	302DC9& 302D41&	FF FF	00 00	FF FF
FF Community Involvement	LZ	302DC9&	FF	S	FF
FF Docket	GA	Not Available–Use Records Management (S)			
FF ESI Review	TZ	302DD2&	P	S, WQ, ZZ	F, S, TR
FF Five Year Review	VY	Not Available–Use FF Oversight (OX)			
FF FS	NI	Not Available–Use FF Oversight (OX)			
FF LR	MZ	Not Available–Use FF Oversight (OX)			
FF Oversight	OX	302DC9& 302D41&	FF FF	S S	FF FF
FF PA Review	RX	302DD2&	P	S, WQ, ZZ	F, S, TR
FF RA	LY	Not Available–Use FF Oversight (OX)			
FF RD	LX	Not Available–Use FF Oversight (OX)			
FF Removal	LV	Not Available–Use FF Oversight (OX)			
FF RI	NH	Not Available–Use FF Oversight (OX)			
FF RI/FS	LW	Not Available–Use FF Oversight (OX)			
FF SI Review	TY	302DD2&	P	S, WQ, ZZ	F, S, TR
Final Listing on NPL	NF	Not Available–Use Administrative Records (AR)			
Five-Year Review (Regions may bulk fund this action using the ‘FE’ action code and the ‘WQ’ SSID, but outlays must be site-specific)	FE	302DD2& 302DD2&	P RA	S, WQ S, WQ	RP, PS, <u>SA</u> F, S, <u>SA</u> , TR
Forward Planning/ Redevelopment/ Reuse	FM	302DD2&	P	S	F
General Support and Management	BM	302DC6& 302DD2&	S P	00 00	F F
General Enforcement	GE	302EH2& 302EC7&	FFE E	00 00	FE FE
Generic PA/SI	QB	302DD2&	P	S, WQ, ZZ	F, S, TR
Geophysical Support/ Mapping	GS	Not Available–Use Technical Assistance (TA)			
Groundwater Monitoring (Post-ROD)	GM	302DC9& 302DD2&	FF P	S S	FF F, S, TR, RP, PS, MR
Health Assessment	HA	Not Available–Use Risk/Health Assessment (ED)			
HRS Package	HR	302DD2&	P	S	F, S, TR
Human Health Risk Assessment	ED	Renamed–See Risk/Health Assessment (ED)			
Hydro/Geological Support	HG	Not Available–Use Technical Assistance (TA)			
IAG Negotiation	IN	Not Available–Use Negotiation - Generic (NG)			

Superfund Programmatic Action Codes to Be Used for Financial Transactions, Sorted by CERCLIS Action Name					
Action Name	Action Code	PRC	SAs	Site Des.	Lead
Information Management Support	IJ	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00	F FF F FE
Integrated Assessment	EA	302DD2&	P	S, WQ, ZZ	F, S, TR
Integrated ESI	OY	Not Available–Use Generic PA/SI (QB)			
Integrated ESI	OV	Not Available–Use Generic PA/SI (QB)			
Integrated HRS Package	OZ	Not Available–Use Generic PA/SI (QB)			
Integrated PA/SI	OU	Not Available–Use Generic PA/SI (QB)			
Integrated SI	QJ	Not Available–Use Generic PA/SI (QB)			
Interviews	HV	Not Available–Use NPL PRP Search (NS) or Non-NPL PRP Search (RP)			
Laboratory Support	LA	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00	F FF F FE
Litigation - Generic	LT	302EC7&	E	S	FE, SE
Local Government Reimbursement (Evacuation State/Local)	EV	302DD2&	P	S	F
Long-Term Response Action (LTRA)	LR	302DD2&	RA	S	F, S, TR, SA, SS, ST
Management Assistance	MA	Renamed–See State Support Agency Cooperative Agreement (MA)			
Multi-Site Cooperative Agreement	MS	Not Available–Use State Support Agency Cooperative Agreement (MA), Generic PA/SI (QB), or Bulk Funding (WQ), as appropriate			
Negotiation - Generic	NG	302EC7& 302EH2&	E FFE	S S	FE, SE FE, SE
Non-NPL PRP Search	RP	302EC7&	E	S, WQ, ZZ	FE, SE
NPL RP Search	NS	302EC7&	E	S, WQ	FE, SE
Operations and Maintenance (For EPA-conducted O&M, use only reimbursable resources only)	OM	302DC9& 302DD2&	FF P	S S	FF RP, PS, MR, SA, SS, ST
Partial Deletion from NPL	GR	Not Available–Use Administrative Records (AR)			
PPA Assessment	QX	302EC7&	E	S	FE
Pre-CERCLIS Screening	HX	302DD2&	P	S, WQ, ZZ	F, S, TR
Pre-Remedial/Remedial Aerial Survey	AS	Renamed–See Aerial Survey (AS)			
Preliminary Assessment (PA)	PA	302DD2&	P	S, WQ, ZZ	F, S, TR
Preparation of Cost Documentation	PC	302EC7& 302JC7&	E	S S	FE, SE
Proposal to NPL	NP	Not Available–Use Administrative Records (AR)			
PRP FS	NK	302DD2&	P	S	RP, PS, MR
PRP LR	ME	302DD2&	P	S	RP, PS, MR
PRP Community Involvement	EL	Not Available–Use Community Involvement (CR)			
PRP RA	BF	302DD2&	P	S	RP, PS, MR

Superfund Programmatic Action Codes to Be Used for Financial Transactions, Sorted by CERCLIS Action Name					
Action Name	Action Code	PRC	SAs	Site Des.	Lead
PRP RD	BE	302DD2&	P	S	RP, PS, MR
PRP Removal	BB	302DC6&	RV	S	RP, PS, MR
PRP RI	NA	302DD2&	P	S	RP, PS, MR
PRP RI/FS	BD	302DD2&	P	S	RP, PS, MR
RCRA Facility Assessment	AA	Not Available–Use Generic PA/SI (QB)			
RD/RA Negotiation	AN	302EC7&	E	S	FE, SE
Real Property Acquisition	RL	302DD2&	P	S	F, S, TR
Records Management	SW	302DC6& 302DC9& 302DD2& 302EC7& 302EH2&	S FF P E FFE	S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00	F FF F FE FE
Remedial Action	RA	302DD2&	RA	S	F, S, TR, SA, SS, ST
Remedial Community Involvement	CR	Renamed–See Community Involvement (CR)			
Remedial Contract Management	JU	Renamed–See Contract Management (JU)			
Remedial Design	RD	302DD2&	P	S	F, S, TR, SA, SS, ST
Remedial Investigation	RI	302DD2&	P	S	F, S, TR, SA, SS, ST
Remedial Support and Management	BO	Not Available–Use General Support and Management (BM)			
Removal (Regions may plan using the ‘WQ’ SSID but must obligate site- specifically) (RA SA for Remedial Program Projects only)	RV	302DC6& 302DD2&	RV RA	S S	CG, F, S, TR, SA, SS, ST, SG F, S, TR
Removal/Remedial Contract Management	JT	Not Available–See Contract Management (JU)			
Removal Aerial Survey	AY	Not Available–See Aerial Survey (AS)			
Removal Assessment	RS	302DC6&	S	S, WQ, ZZ	CG, F, S, TR, RP, PS, MR
Removal Community Involvement	RC	Not Available–See Community Involvement (CR)			
Removal Contract Management	EZ	Not Available–See Contract Management (JU)			
Removal Negotiation	RN	302EC7&	E	S	FE
Removal Support and Management	BN	Not Available–Use General Support and Management (BM)			
Removed from Proposed NPL	NR	Not Available–Use Administrative Records (AR)			
Research and Development	BG	302DD2&	P	S, WQ, ZZ	F, S, TR
RI/FS Negotiation	FN	302EC7&	E	S	FE, SE
Risk/Health Assessment	ED	302DC9& 302DD2&	FF P	S S	FF F, S, TR, RP, PS, MR
Section 104(E) Referral Litigation	SF	302EC7&	E	S	FE, SE
Section 106 Litigation	SX	302EC7&	E	S	FE, SE
Section 106/107 Litigation	CL	302EC7&	E	S	FE, SE
Section 107 Litigation	SV	302EC7&	E	S	FE, SE
SEE Program	SM	302DC6& 302DC9& 302DD2& 302EC7&	S FF P E	S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00 S, WQ, ZZ, 00	F FF F FE

Superfund Programmatic Action Codes to Be Used for Financial Transactions, Sorted by CERCLIS Action Name					
Action Name	Action Code	PRC	SAs	Site Des.	Lead
Site Inspection (SI)	SI	302DD2&	P	S, WQ, ZZ	F, S, TR
Site Reassessment	OO	Not Available–Use Generic PA/SI (QB)			
Site Security and Maintenance	PD	302DD2&	P	S	F, S, TR
Site-Specific BRAC Costs	PX	302D41&	FF	S	FF
State Core Program	SK	302DD2&	P	00	F
State Enforcement Management Assistance	EM	Not Available–Use State Support Agency Cooperative Agreement (MA)			
State Support Agency Cooperative Agreement	MA	302DC9&	FF	S, WQ, ZZ	FF
		302DD2&	P	S, WQ, ZZ	F
		302EC7&	E	S, WQ, ZZ	F
Technical Assistance	TA	302DC6&	S	S, WQ, ZZ	F, S, TR, RP, PS, MR
		302DC9&	FF	S, WQ, ZZ	FF
		302DD2&	P	S, WQ, ZZ	F, S, TR, RP, PS, MR
Technical Assistance Grant (Regions may plan using the ‘WQ’ SSID but must obligate site-specifically)	TG	302DC9&	FF	S	FF
		302DD2&	P	S	F
Topographical Mapping	TO	Not Available–Use Technical Assistance (TA)			
Training	TH	302DC6&	S	00	F
		302DD2&	P	00	F
		302EC7&	E	00	FE
<u>Treatability Study</u>	<u>TS</u>	<u>302DD2&</u>	<u>P</u>	<u>S</u>	<u>F, S, TR, RP, PS, MR, SA, SS, ST</u>
Tribal Core Program	TK	302DD2&	P	00	F
Tribal Pilot Projects	TJ	Renamed–See Tribal Support Agency Cooperative Agreement (TJ)			
Tribal Support Agency Cooperative Agreement	TJ	302DC9&	FF	S, WQ, ZZ	FF
		302DD2&	P	S, WQ, ZZ	F
		302EC7&	E	S, WQ, ZZ	F

Key to Leads:

CG = Coast Guard

EP = EPA in-house

F = EPA Fund- Financed

FE = Federal Enforcement

FF = Federal facilities Response

MR = Mixed Funding Federal/RP

PS = PRP Response under State

RP = Responsible Party

S = State, Fund Financed

SA = PRP-Financed Action From a Special Account Performed by EPA

SD = State Deferral

SE = State Enforcement

SG = PRP-Financed Action From a Special Account Performed by USCG

SN = State, no Fund money

SR = PRP lead under State

SS = PRP-Financed Action From a Special Account Performed by State

ST = PRP-Financed Action From a Special Account Performed by Tribal Government

TR = Tribal Lead, Fund Financed

Key to Site Designators:

S = Site-specific obligation

WQ = Unspecified-Site Obligation; Site-specific Outlay

ZZ = site-related (ZZ) Obligation

00 = Non-site (oo) Obligation

Key to SPIM Site Allowances (SAs) (formerly AOs):

E = Enforcement

FFE = Federal facilities Enforcement

FF = Federal facilities Response

RV = Removal

S = Removal Support

P = Pipeline Operations

RA = Remedial Action

III.D. SUPERFUND FINANCIAL MANAGEMENT

The purpose of this section is to assist regional program offices in carrying out their financial management responsibilities. It discusses the financial management tools and systems used by HQ and the regions to enter and track financial information. It also discusses the various financial management funding mechanisms available to EPA to support Superfund cleanup work and it details specific HQ and regional financial management responsibilities. Finally this section details the cost recovery process.

III.D.1. Financial Management Roles and Responsibilities

Due to the complexities of the Superfund program, numerous organizational units within the regional EPA offices have responsibility for Superfund financial management. As described in this document, the Regional Management Division is the organization in which financial management, budgetary, accounting, planning and assistance agreements, and administration functions are carried out. The Regional Servicing Finance Office (SFO), the Grants Office, and the Contracting Officers (CO) for the Response Action Contract (RAC), Superfund Technical Assessment and Response Team (START), Regional Oversight Contract (ROC) and Emergency and Rapid Response Services (ERRS) contracts are considered to be a part of this division. Please see Section III.F.1 for a list of Regional Superfund Cost Recovery Contacts. This section first lists the primary regional offices with Superfund-related financial management responsibilities and the duties for which each office has responsibility or authority to perform. The next section lists the financial management roles and responsibilities of several staff positions.

a. Regional Financial Management Office

- Participates with the Regional Program Office to Assign Account Number, Document Control Number, and Cooperative Agreement identification numbers;
- Enters quarterly AOA into IFMS, controls regional allowance;
- Sets up regional account numbers in IFMS;
- Processes Procurement Requests (PRs), Interagency Agreements (IAGs), and Cooperative Agreements (CAs);
- Enters commitments, obligations, and drawdowns into IFMS;
- Reviews invoices, monthly financial reports, and payment requests;
- Commits funds under regional contracts and modifications;
- Assists regional program office in the pre-application phases of the CA development;
- Maintains Superfund document files on regional costs and supports the preparation of documentation for cost recovery;
- Maintains accounts receivable for cost recovery, cash outs, Superfund State Contracts (SSC) cost share, and oversight billings, and maintains billing and collection system; and
- Provides regional program office with financial data.

b. Regional Administrator (unless delegated to Regional Program office)

- Approves cleanup actions under removal authority;
- Approves consistency exemptions at NPL sites where the removal costs are more than \$2 million;
- Awards CAs, IAGs, and Technical Assistance Grants (TAGs);
- Enters into SSCs;
- Initiates response planning activities; and
- Ensures reimbursable BRAC costs are accurate and appropriate (1996 BRAC Guidance, Section 3.2.1).

c. Regional Program Office

- Assigns the Account Number;
- Provides technical support to the Contracting Officer (CO);
- Reviews vouchers and/or financial reports;
- Manages CAs and IAGs ;
- Issues S/SIDs;
- Prepares Commitment Notices (CNs) and PRs ;
- Develops SSCs ;
- Approves Request for Proposals (RFPs) or Request for Bids and contracts developed by the states ;
- Monitors the transfer of financial data on contracts, IAGs, and CAs into [CERCLIS](#);
- Maintains Superfund document files on regional work performed;
- Submits change requests ; and
- Initiates and manages obligations.

d. On-Scene Coordinator (OSC)

- Is an employee of EPA or U.S. Coast Guard (USCG);
- Reacts to hazardous substance spills and releases, or threats of release;
- Initiates and manages cleanup actions under removal authority;
- Aware of, in control of, and responsible for site charges;
- Ensures costs are reasonable and necessary;
- Prepares site budgets and contract action requests ;
- Completes Action Memoranda;
- Prepares delivery orders and PRs ;
- Initiates PRs, Work Assignments (WAs), CAs, IAGs, and contracts;
- Approves site-specific IAG invoices;
- Establishes and maintains official site file;
- Reviews and approves cleanup contractors' charges on a daily basis ;
- Tracks site costs against the established site ceiling;
- Approves contractor invoices; and
- Acquires services using warrant for up to \$250,000.

In some cases, an OSC may have a written "Delegation of Procurement Authority" signed by a Senior Procurement Manager (also called "Warrant Authority") and thus becomes an Ordering Officer.

e. Remedial Project Manager (RPM)

- Is an employee of EPA ;
- Initiates and manages removal actions and remedial actions;
- Manages enforcement costs and activities;
- Aware of, in control of, and responsible for site charges;
- Ensures costs are reasonable and necessary;
- Reviews contractor invoices and financial reports;
- Establishes and maintains official site files in coordination with the Records Center;
- Initiates PRs, WAs, CAs, IAGs, and contracts ; and
- Approves site-specific IAG invoices.

f. Regional Project Officer (RPO)/ Deputy Project Officer (DPO)

- Is an employee of EPA;
- Manages remedial, enforcement, removal, and general site support contracts;
- Evaluates and designates contractor award fees;
- Monitors contractors' activities;
- Reviews monthly contractor reports and site-specific attachments;
- Initiates PRs, WAs, CAs, IAGs, and contracts;
- Approves site-specific IAG invoices;
- Identifies regional and site-specific contract requirements;
- Reviews invoices; and
- Provides general contract management support.

g. Administrative Support Unit

- Established in each regional program office;
- Staffed with EPA staff (the non-government functions may be performed by a contractor);
- Provides administrative support to the OSC/RPM;
- Provides liaison between OSC/RPM and other groups involved in administrative matters;
- Provides support to regional program management;
- Assists in developing removal site budgets and Action Memoranda;
- Maintains the Removal Cost Management System (RCMS);
- Sets up and maintains active site files;
- Completes PRs and CNs; and
- Reviews IFMS reports.

Selected program offices in HQ also have Superfund Financial Management responsibilities. The main point of contact for technical program area specific financial management issues is the applicable OSRTI regional center. Contact Headquarters Budget Planning & Evaluation Branch (BPEB), Program Evaluation & Compliance Branch (PECB), Federal facilities Enforcement Office (FFEO), or Federal facilities Restoration and Reuse Office (FFRRO) with any issues pertaining to the AOA or overall budget resources. The next section lists the responsibilities of the HQ management offices.

h. Office of Financial Management (OFM)/Office of the Chief Financial Officer

- Collects HQ's Superfund cost documentation for cost recovery;
- Oversees annual site-specific reporting process;
- Issues financial policies and procedures;
- Provides general accounting support;
- Records transfer allocations;
- Notifies Trust Fund to invest cost recoveries, fines, and penalties; and
- Establishes Superfund account numbers in IFMS.

i. Office of Acquisition Management (OAM)

- Conducts Superfund contracting program;
- Negotiates, awards, monitors, modifies, and terminates contracts;
- Provides technical guidance on contract administration; and
- Provides cost and price analysis.

j. Grants Administration Division (GAD)/Office of Administration

- Issues policies, regulations, and guidance for processing, awarding, and managing financial assistance agreements and IAGs ;
- Issues identification numbers for all IAGs ; and
- Processes and awards HQ IAGs .

k. Budget Division/OCFO

- Allocates Superfund allowances among HQ and regions;
- Approves regional allowances;
- Monitors obligations against regular and site allowances;
- Processes transfer allocations;
- Processes change requests ; and
- Reprogram allowances .

l. Cincinnati Finance Center (CFC) Office of Financial Services

- Provides accounting support for all Superfund IAGs ;
- Processes disbursement requests from other agencies;
- Processes billings for reimbursable activities; and
- Enters IAG obligations and disbursements into IFMS.

m. Research Triangle Park (RTP) Finance Center Office of Financial Services

- Provides accounting support for all Superfund contracts ;
- Enters contract award and obligation data into IFMS;
- Processes contractor invoices; and
- Enters payments into IFMS via the Contract Payment System.

III.D.2. Superfund Accounting Information

Where EPA incurs costs that can be identified as solely benefiting Superfund, the Superfund Appropriation is to be directly charged through the Agency's account number structure. The account number structure is comprised of six fields of data elements that identify the specific nature of the expense. These fields are: the budget fiscal year; fund (or appropriation); organization; program results code; site project and cost organization. Exhibit III.7 provides specifics and an example of how to fill out the account number.

Fund/Appropriation Code - EPA controls appropriated funds and sub -accounts by using an Appropriation Code also known as the fund code. Superfund dollars are distinguished as appropriation code “T”. Two and three digit appropriations codes are sub-accounts. For instance, prior year carryover balances including deobligations of prior year funds are distinguished as appropriation code “TC” and special accounts for cashout settlements are distinguished as “TR2”. The four digit appropriation codes TR2A and TR2B represent miscellaneous, transfer, deposit, and trust fund receipt accounts. The most frequently used codes for Superfund include the following:

Appropriation Code	Title
T	Superfund
T9	Superfund Homeland Security
TC	Superfund Carryover
TCD	Superfund Carryover - Deobs
TR	Superfund Reimbursable
TR1	Superfund Reimbursable -SSC
TR2	Non-Federal Special Accounts - unearned revenue (i.e., future costs)
TR2A	Federal Special Accounts - unearned revenue (i.e., future costs)
TR2B	Special Accounts - earned revenue (i.e., past costs and interest)

The Agency uses site/spill identifiers (SSIDs) to account for and accumulate Superfund costs by site. Generally, an SSID should be established when there is a reasonable expectation that a future response action will be taken, but no later than either site proposal to the NPL, execution of an action memo, or an official decision to undertake a response. When committing or obligating funds at sites where an SSID has not been assigned yet, the region may use “ZZ” in position 3 and 4 of the site/project position of the Account Number for PAs and SIs only. The “ZZ” should be used only if a site does not have an SSID. “WQ” is used for bulk or block funding only, i.e., where SSIDs exist but funds are not committed site specifically. When “WQ” or “ZZ” is used in the SSID position, funds are obligated non-site specifically. However, for WQ obligations, when the funds are paid out/distributed, they must be associated with a site. (ZZ obligations may be drawn down as ZZ funds.) “00” can be used for disbursement of non-site specific activities. Once an SSID has been established for the site, regions must revise all the financial accounting information (in IFMS and on the obligating document) with the correct SSID. The “ZZ” should not be used for future obligations once an SSID has been established at the site. (Information on changing IFMS data can be found later in this chapter.)

For IT-related transactions, a unique format is used for the site/project field. The following describes this format. Note: IT-related transactions will always be associated with the non-site Information Management (IJ) action in [CERCLIS](#).

Position	Description
1	IT Identifier (this character will always be “L”)
2-3	Major or Significant Project
4	System/Project Phase (preliminary design, development, or maintenance)
5-6	Cost Area
7-8	Special Reporting Requirements (currently there are no special reporting requirements so this will always be zeros)

See the *New Information Technology Accounting Requirements* Comptroller Policy Announcement # 01-10 for additional information on the IT accounting requirements.

EXHIBIT III-4.
ACCOUNT NUMBER STRUCTURE

Budget Fiscal Year	Fund (Appropriations)	Organization	Program Results Code	Site Project	Cost/Org
2 0 0 4	T	7 A O O P	3 0 2 D D 2	0 7 2 3 C O 0 1	C 0 0 2

Data Element Field Name	Definition	Sample Entry
Budget Fiscal Year (8 characters)	The first four positions in this field identify the budget fiscal year (e.g., '2006'). The last four positions in this field identify the ending fiscal year, but these positions are not used by the Superfund program, and should be left blank.	2 0 0 6
Fund (Appropriation) (6 characters)	The type of appropriation is entered in this field with up to first four characters indicating appropriations accounts and sub-actions (e.g., 'TR'). If the appropriation is billed or received (for cost recovery), valid entries can be up to 4 characters in length (e.g., 'HSCR'), with the last two positions left blank.	T _
Budget Organization (7 characters)	The Budget Organization field is the Allowance Holder/Responsibility Center (AHRC) code (e.g., '07H'). The AHRC code can be between 3 and 6 characters in length. For instance, the first two characters represent the allowance holder (e.g. Region 7 may be represented as 07 or 7A); the 3rd character is an alpha character which designate the responsibility center within the region (see the region's budget office for a list of these codes). The last three digits represent the Superfund AOA Code and a local option or congressional add-on (e.g., CUD - counter-terrorism response).	7 A O O P _ _
Program Results Code (9 characters)	The first 7 characters identify the PRC as discussed earlier in this chapter in Section III.B.2 and in Exhibit III.2. The remaining positions should be left blank.	3 0 2 D D 2

Data Element Field Name	Definition	Sample Entry
Site/Project (8 characters) - consists of S/SID, Action code, and Operable Unit	The first four digits are comprised of the site/spill identifier (SSID). The SSID is comprised of the region number in the second position, e.g., '7' for Region 7 with a place holder of 0 in the first position. For Region 10, a '0' should be entered in this position. This combined with the third and fourth position is a unique numeric or alpha numeric site number. The SSID is followed by the action code in position 5 and 6. The action code is a 2 digit alpha character, a listing of which can be found in Exhibit III.6 the Who Pays for What Table. Finally, the operable unit is entered in positions 7 and 8 (e.g., '01' for operable unit 01). A unique format is used for IT related transactions (see reference to IT in section III.D.2).	0 7 2 3 C O 0 1
Cost Organization (7 characters)	The leading 'C' is the CERCLIS identifier used by IFMS. It is system generated in the first position of the Cost Organization field for CERCLIS actions. The numerical characters in the second, third and fourth positions represent the action sequence number, e.g., '002' for the second occurrence of an action at a site. The remaining positions should be left blank.	C 0 0 2

III.D.3. Financial Data Management Systems and Tools

The following data management systems and tools are used to plan and track the use of programmatic resources:

- CERCLIS/WasteLAN - Superfund specific database that houses site- and non-site specific data including the financial planning data used for generating SCAP 4 reports. WasteLAN is the system each region uses to enter region-specific data; CERCLIS is the system in HQ that integrates the data from WasteLAN into a national database.
- SCAP Reports - Standardized reports generated from [CERCLIS](#) that support program planning and performance. The SCAP reports used by HQ to track the regional financial planning and execution are the SCAP 4 reports including: SCAP 4R for the Response budget; SCAP 4E for the Enforcement budget; and SCAP 4F for the Federal facilities budget.
- Budget Automated System (BAS) - The central Agency system used to integrate strategic planning, annual planning, budgeting, and financial management. The system contains resource (dollars and FTE), planning, and performance data. BAS is an Agency-wide application; registered users have desktop access across a variety of platforms in all HQ and regional offices. The system supports budget formulation, annual planning, and operating plan development. BAS also delivers automated budget tools (e.g., payroll forecasts), automated links to IFMS for comparison reports (operating plan and actual obligations/outlays), and automated links to accountability. BAS also supports regional commitments of performance targets within the Agency and project-based planning/resource allocations within Offices.

- Integrated Financial Management System (IFMS) - The Agency's core financial system which supports the general ledger, budget execution, funds control, accounts payable, disbursements, accounts receivable and collections, travel, project cost accounting, fixed assets and standard reporting functions. IFMS interfaces with a number of Agency "mixed" (financial and nonfinancial) systems that are primarily for administrative purposes but contain limited financial data. An interface has been established between IFMS and CERCLIS to download actual financial data into CERCLIS. An interface also exists between IFMS and BAS. IFMS is maintained by the Administrative Systems Division of the Office of Information Resources Management.
- Management and Accounting Reporting System (MARS) - IFMS application that identified the status of commitments, obligations, and payments for a site. MARS could select any data element maintained in IFMS, arrange those elements in any desired format, and print a report. Regional program office staff could request MARS reports from the regional Servicing Finance Office (SFO). MARS has been phased out and replaced by ORBIT.
- ORBIT is designed to consolidate, integrate, and streamline existing reporting capabilities and to develop a corporate approach to the Agency's various reporting and information needs. ORBIT will improve the Agency's financial reporting capabilities and significantly expands the ability to integrate critical financial, administrative and program performance information useful for monitoring Agency operating activity, conducting trend analysis, and developing program strategy. The ad hoc reporting capability allows advance user groups to create custom reports useful to their organization and reporting needs.
- Financial Data Warehouse (FDW) - FDW is an official Agency reporting tool that will eventually replace MARS. FDW is a collection of data in an Oracle database from the following information systems: IFMS, SCORPIOS, and the Contract Payment System (CPS). The data that is stored in FDW is available to EPA users via the intranet at "intranet.epa.gov/fdw" and by direct desktop access through Lotus Approach, Impromptu, MS Access (a User ID, password, and database host name must be established). IFMS data in FDW is refreshed at least twice a day.
- Superfund Cost Recovery Package and Image On-Line System (SCORPIOS) - organizes cost information and produces reports that summarize the costs for a specific Superfund site. The SCORPIOS report is combined with images of supporting cost and technical documentation to yield a complete cost recovery package. The system also provides calculations for oversight billing and tracking, charging of indirect costs, and the charging of annual allocation.
- PeoplePlus (PPL), the Agency's new integrated Human Resources, Benefits, Payroll, Time, and Labor Management System, is a time recording system as well as a labor distribution system. With PPL, both the time card and time sheet functions are combined. The user must record and attest all site charges that are entered in PPL each pay period. PeoplePlus electronically records this information and attributes it to the appropriate accounts by site. The information is then automatically passed into the IFMS, EPA's accounting system, and then to the SCORPIOS, which is used for cost recovery.

III.D.4. Handling Financial Data in the CERCLIS Environment

This section discusses the process for entering response and enforcement financial data into CERCLIS.

IFMS data is downloaded nightly into CERCLIS through an automated link. This automatic transfer of financial information from IFMS to CERCLIS includes commitments and obligations data. Planned financial data must be entered into CERCLIS by the region; however, the IFMS Account Number is generated by CERCLIS at the time the planned obligation is first entered. This Account Number must be entered on all funding documents at the time the planned obligation is executed, i.e., committed or obligated. If the Account Number is not correct, the IFMS to CERCLIS transfer will not work properly.

a. Entering Response and Federal Facility Data into [CERCLIS](#)

Once the funding document has been processed by the region, and actual commitment or obligation data are entered into IFMS and transferred to [CERCLIS](#), the planned financial data should be deleted from [CERCLIS](#). The “Planned” Financial Type should not remain in the system once the funds are committed or obligated. Failure to delete the Planned Financial Type could cause the region to overstate its planned annual budget, which will result either in withholding AOA approval, or a reduction in next quarter’s AOA.

b. Entering Enforcement Programmatic Budget Data into [CERCLIS](#)

Regions are responsible for entering planned financial data into [CERCLIS](#). Actual commitments and obligations for enforcement actions are entered solely into IFMS by the regional FMO. Data is downloaded from IFMS into [CERCLIS](#) on a nightly basis.

Account numbers must be established for each transaction before commitment and obligation. To ensure that all appropriate financial data are reflected in [CERCLIS](#), the following information along with the Account Number, should appear on obligation documents: EPA identification number (EPA-ID), S/SID, CERCLIS action or SubAction codes and OU number, WA number, amendment number, and amount.

Account Numbers must be established for each transaction before commitment and obligation. A CA is considered obligated when it is signed by the Regional Administrator. An IAG is considered obligated when it is signed by the other agency. Contracts are considered obligated when the CO signs the obligating document or, in the case of an Enforcement Support Services (ESS) WA, when the CO signs the WA. Regions also are responsible for reviewing and recommending payment of the invoice/voucher for these mechanisms. Once invoices are paid, these dollars (outlays) are entered into IFMS. If the obligation is generic and the invoice is site-specific, IFMS shows the funds deobligated from the generic account and obligated and disbursed from the site-specific account.

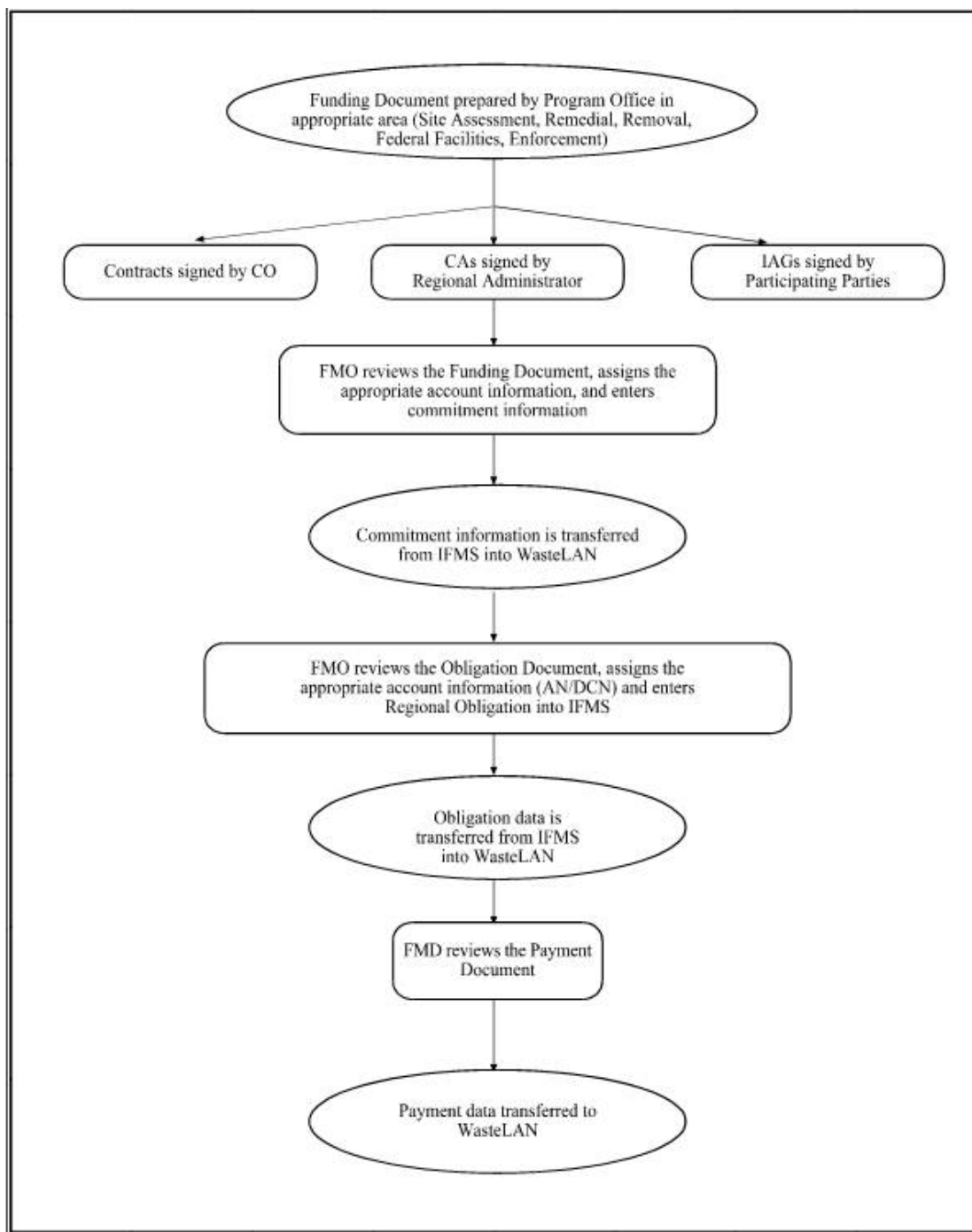
c. Correcting Financial Data

The IMC or Regional Superfund Budget Coordinator can request, on a regular basis, a report from the regional financial office that contains all Superfund financial transactions in IFMS. The information in this report can be compared with the funding documents and the information in [CERCLIS](#). The Financial Data Warehouse is another source for this information. If there is a discrepancy between the financial data in [CERCLIS](#) and IFMS, the funding document should be used to verify the information in both systems.

Upon determining that the data on the funding document is correct, the IMC should give the regional FMO a copy of the funding document and any other relevant documentation showing that the IFMS data has been entered incorrectly. The regional IFMS administrator is then responsible for correcting any data errors in IFMS. The IFMS administrator is the only person authorized to correct data entry errors or change financial information in the IFMS database. The OFM has issued standard procedures for correcting IFMS data. The IMC or designee should work with the regional FMO on a regular basis to make sure that all IFMS errors are corrected.

Errors in account number or other information on the original funding document can only be corrected by the same process used to initially create the financial record (by a contract/PA or by amendment of the IAG or CA).

EXHIBIT III-5.
HANDLING FINANCIAL DATA IN THE CERCLIS ENVIRONMENT



III.D.5. The Funding Process

EPA uses a variety of procurement mechanisms to carry out CERCLA-funded response actions. These include the procurement of contracts, interagency agreements, and cooperative agreements.

The process by which these vehicles are funded is accomplished in distinct but interrelated steps. Approvals, commitments, and obligations result in directing funds to a project and/or supplier. In addition, the payment and deobligation processes result in drawdowns from obligated funds.

a. Approvals

An approval by the AAs, Regional Administrator or official designee is authorization to undertake a CERCLA-funded response action.

Removal Actions:

- Regional Administrator approves actions costing up to \$6 million, approves removals costing up to \$6 million based on the emergency waiver, grants exemptions to the twelve months and \$2 million statutory limits based on consistency with the long-term action, and may re-delegate to the OSC the authority to approve actions costing up to \$250,000 in emergency situations and up to \$50,000 in non-emergency situations.
- Before taking action, an Action Memorandum must be approved, except in emergency situations where verbal approval by the Regional Administrator is sufficient. The Action Memorandum documents whether the release meets the criteria of CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), and includes an estimated total project ceiling. The OSC uses the estimate of duration and cost in order to determine the proper approval authority.
- In extreme emergencies, the OSC may initiate activities without preparing the necessary documentation in advance. The OSC must document the decision within 24 hours of initiating the response.

RI/FS, RD, RA, Site Screening and Assessment, Enforcement, and Federal facilities:

- Planning is accomplished through the SCAP process. Funds should not be committed or obligated unless the project is reflected in [CERCLIS](#).
- Obligation planned and executed on an OU or site basis. Outlays (payments) should be attributed to the appropriate OU.
- A Record of Decision (ROD) is required for all remedial actions. The ROD is signed by the Regional Administrator or designee, or the AA SWER. It documents the alternative decision-making process, demonstrates that the requirements of CERCLA and the NCP have been met, and provides the basis for future cost recovery actions.

b. Commitments

- Commitments are a reservation of funds but not a legal promise to pay a supplier. Once the regional Funds Certifying Officer (FCO) certifies the availability of funds, a spending action becomes a commitment. Funds that are committed but not obligated are called open commitments.
- There are two types of commitment documents: Procurement Requests (PRs) and Commitment Notices (CNs). PRs commit funds for contracts; CNs commit funds for CAs and reimbursable IAGs.
- Open commitments expire at the conclusion of the Budget Fiscal Year (BFY).
- Each commitment is assigned a Document Control Number (DCN). The DCN is a 6-digit code assigned by the regional Superfund Financial Office (SFO) to PRs and CNs. This same number is carried over from the PR or CN to the obligating document. It identifies the spending action in IFMS, just as a check number identifies a check.
- When IFMS transfers an obligation, each obligation is accompanied with a matching decommitment.
- The contract number/OSWER Directive Number (ODN) represents a specific contract. More than one actual obligation could fund a contract. Similarly, more than one DCN can be associated with one contract number/ODN.

c. Obligations

- Obligations legally bind the government to pay a supplier for goods or services. Obligated funds can no longer be used for any other purpose.
- A contractor, another federal agency, or state cannot start work until funds have been obligated. Funds can be used only for the purpose for which they were obligated.
- Obligating documents must be processed in accordance with guidance issued by Office of Acquisition Management (OAM), Grants Administrative Division (GAD), and Office of Financial Management (OFM). Some contracts are awarded by OAM and entered into IFMS by the SFO/RTP; others are handled by the regions. Obligations for CAs are entered into IFMS by the regions; IAGs are entered by the Cincinnati Finance Center (CFC)/OFS.
- A CA is considered obligated when it is signed by the Regional Administrator. An IAG is considered obligated when it is signed by the other agency. Contracts are considered obligated when the CO signs the obligating document, or in the case of an ESS WA, when the CO signs the WA.

d. Payments (Outlays)

- Regions are responsible for reviewing and recommending payment of the invoice/voucher.
- Invoices from contractors/suppliers are submitted to the proper SFO for payment. Before payment, there must be an obligating document and a receiving report to verify that the work was completed, or that the goods received were satisfactory. Unpaid obligations remain in IFMS until paid, or until the allowance holder or obligating official notifies the SFO that no further payments will be made. When financial records are transferred from IFMS, each payment is accompanied with a matching deobligation.
- If the obligation was generic and the invoice is site-specific, IFMS shows the funds deobligated from the generic account and obligated and disbursed from the site-specific account.

e. Deobligations

- Regions should regularly review the status of all contracts, IAGs, CAs, and grants. If all activities have been completed, remaining funds should be deobligated immediately to make them available for other activities. Regions should hold a small portion of contract obligations to fund site closeout activities. Also see Section C.5 earlier in this chapter for discussion of the current Deobligation Policy.

III.D.6. Financial Management of Contracts

The Agency's Superfund Contracts 2000 Strategy identifies the long-term needs of the Superfund program and provides a portfolio of Superfund contracts to meet those needs. During FY06/07, implementation of this strategy will continue. This information is published by the Office of Acquisition Management (OAM) in EPA's Annual Forecast of Contract Opportunities.

Superfund contracts are awarded through standard procurement procedures (see the Office of the Comptroller's Resources Management Directives Systems 2550C, Chapter 2 of this document, and the EPA Contracts Management Manual, or refer directly to the directives prepared for each contract). Exhibit III.9 contains information on the procurement forms used for most Superfund contracts. The unique aspect of Superfund contract processing and financial tracking stems primarily from the need to associate contractor costs incurred with specific Superfund sites and OUs to support the cost recovery process. Cost recovery negotiations with PRPs, or court actions, require careful documentation of federal costs incurred at each site/spill.

a. Contracts for Site-Specific Work

These contracts are obligated and tracked on a site-specific basis. They include RAC, START, Regional Oversight Contracts (ROC) and ERRS. Funds may be obligated to specific sites, or bulk funded with site ID "WQ" and then paid out site specifically.

b. Contracts for Non-Site Specific Work

Non-site specific contracts are generally support type contracts which are not awarded site specifically, but can obligate site-specific funding on a task or delivery order basis, depending upon the type of contract.

General Site Support Contracts

- Generally not awarded on a site-specific basis; however some of these contracts allow for site-specific task or delivery orders which can be obligated on a site-specific basis.
- Capable of providing broad technical and planning support on an "as needed" basis
- Includes Response Action Contracts (RAC), Superfund Technical Assessment and Response Team (START), Regional Oversight (ROC), Emergency and Rapid Response Services (ERRS), Contract Laboratory Program (CLP), and Environmental Services Assistance Team (ESAT)
- Where funding has not been obligated on a site-specific basis, contractors submit site-specific attachment that includes invoiced costs for:
 - Each site with a S/SID;
 - All other sites;
 - Program management (if applicable);
 - Base and award fee (if applicable)
 - Fixed Fee (if applicable); and
 - Non-site activities (e.g., training).

- Where site-specific funding is obligated on a task or delivery order basis, the contractor either submits a separate monthly invoice for each site, or one invoice for the contract, with separate attachments for each site.
- Contractors submit original invoice to RTP and copies to HQ or regional PO
- PO reviews invoice

Enforcement Support Services (ESS) / Zone Enforcement Support Services (ZESS)

- Combination of general site support and site-specific contracts; however, not obligated on a site-specific basis
- Regions issue WAs against the contract on a site-specific basis
- Site-specific WAs are not entered into IFMS
- Contractors submit site specific attachment that includes invoiced costs for:
 - Each site with a S/SID;
 - All other sites;
 - Cost plus/fixed/award fee; and
 - Non-site activities (e.g., training).
- Contractors submit original invoice to RTP and copies to RPO
- RPO reviews invoice
- RPOs and WAMs may conduct concurrent reviews

Mission Support Contracts

- Provides support to HQ and regional program offices
- Not for site-specific work
- Not obligated site-specifically
- Administered totally by HQ

**EXHIBIT III-6.
EPA FORMS COMMONLY USED FOR SUPERFUND PROCUREMENTS**

EPA Form Number	Form Name	Purpose	Comments
1900-8	Procurement Request/purchase Order	The Agency's basic form for requesting the procurement of any goods or services. Used to commit funds before obligating funds on any of these documents. Must be certified by FMO.	This form is the basis for entering a commitment in IFMS. The FMO enters an obligation only upon receiving a contract document or purchase order.
1900-48	Order for Services-Emergency Response to Hazardous Substance Release	Used by OSCs to obligate funds and contract for services (up to \$250,000) from commercial firms or a state or local government (if site not owned by state or subdivision at time wastes were disposed of) to respond to a release.	Results in a firm, fixed-price contract. No price adjustment may be made for work stated in contract. Contractor may submit only one invoice. FMO will process contract as an obligation.

EPA Form Number	Form Name	Purpose	Comments
1900-49	Notice to Proceed with Emergency Response to Hazardous Substance Release	Used by OSC to authorize a contractor to begin work on an emergency response (up to \$10,000 per incident). Negotiation of definitive contract and any modifications performed by CO.	A preliminary contractual instrument that must be made final by a designated CO. FMO will process notice as an obligation.
1900-56	Letter contract for state, tribal government, or local government Response to Emergency Hazardous Substance Release	Used by OSC to procure services from a state, local, or tribal government to begin work on an emergency response (up to \$10,000 per incident) if site was not owned by state or subdivision at time of hazardous waste disposal. Negotiation of definitive contract and any modifications performed by CO.	Results in a cost reimbursement type agreement with a state, local, or tribal government. It is a preliminary contractual instrument that must be made final by a CO. The appropriate FMO will process a letter or contract as an obligation.
1900-59	Delivery Order for ERRS	Used by OSCs to order services (up to \$250,000) from the ERRS contractor to respond to a release. All modifications and obligations greater than \$250,000 will be processed by the CO.	Has time and material provisions but uses fixed rates negotiated in ERRS contract. Order must be made final by a designated CO. FMO will process orders as an obligation.

III.D.7. Other Financial Vehicles

The following sections discuss interagency agreements, cooperative agreements, and Superfund State contracts.

a. Interagency Agreements (IAGs)

An IAG is a written agreement between federal agencies under which goods and services are provided. The Superfund program uses Disbursement IAGs and Allocation Transfer IAGs to request federal agencies' assistance with site cleanups and associated activities, and to provide ongoing support or services. The regional program office initiates and manages site-specific IAGs. U.S. Coast Guard (USCG)-lead removal IAGs, Department of Justice (DOJ) IAGs, and allocation transfer IAGs are negotiated, approved, awarded, and managed at HQ. The IAG specifies the services required and identifies the method of payment.

b. Cooperative Agreements (CA)

A Superfund Cooperative Agreement (CA) is a legal instrument between the federal government and a state, political subdivision, or Indian tribe that forms a working relationship in which both parties provide funding and services related to the design and implementation of Superfund responses. The CA transfers money, goods or services to the state or other recipient to lead or support Agency activities. It allows the state or other recipient to take responsibility for leading the Superfund response. In addition, it defines the level of involvement of EPA and the recipient and secures the state's CERCLA assurances. A CA for remedial action also should include provisions for obtaining required state cost share and other assurances.

Several offices are involved in the commitment process for a CA. The Regional Program Office (RPO) prepares the commitment notice and obtains the necessary program approvals; the Regional Comptroller's Office certifies availability of funds, assigns accounting data and enters commitment in IFMS; and the Grants Administration Division assigns the CA identification number. To obligate funds for a CA, the Regional Administrator (or his/her designee), first signs the CA. The Regional Comptroller's Office processes the obligation in accordance with OAM, GAD, and FMD requirements and then enters the obligation in IFMS.

For additional information on the financial management of CAs, refer to the Resources Management Directives Systems 2550D, Chapter 9 (www.intranet.epa.gov/ocfo/policies/direct/2550d.htm).

c. Superfund State Contracts (SSCs)

When EPA or a political subdivision has the lead for a Remedial Action, an SSC is used to describe the state's role. A SSC is a legally binding agreement that provides the mechanism for obtaining required state cost share and other assurances, outlines the statement of work for the response action, and documents responsibilities for implementation of response activities at a site. When a political subdivision has the lead, the SSC is signed by EPA, the state, and the political subdivision.

The SSC does not obligate funds. Funds for federal-lead projects must be obligated through an EPA PR with a contractor, or through an IAG with another agency. Funds for response actions conducted by a political subdivision are provided through a CA (see previous section).

The SSC must be signed prior to the obligation of funds for a RA. EPA may obligate RD funds to initiate the RA procurement process, up to the point of soliciting for construction bids. In cases of extreme urgency, a solicitation (for bids on RA work) may be issued before a SSC is signed. The solicitation must notify prospective bidders that the availability of funds for the contract is contingent on EPA and the state concluding a SSC. If the SSC is not signed before the bid opening, one of the following decisions must be made:

- The solicitation may be canceled; or
- The bid opening date may be postponed (giving bidders an opportunity to withdraw, modify, or submit new bids).

To ensure that Fund monies are effectively used, procurement activities should be initiated with RD funds only when the region is confident the SSC will be signed before bids are opened.

For additional information on financial management responsibilities related to SSCs, refer to the Resources Management Directives Systems 2550D, Chapter 9 (www.intranet.epa.gov/ocfo/policies/direct/2550d.htm).

Requirements

- As provided by law, the state must provide its assurances through an SSC before Superfund resources can be used to finance a RA.
- SSC must be in place before EPA or a political subdivision can begin Fund-financed RA or NTC removal where the state is sharing costs.
- If USACE will perform the response action, a SSC must be in place before construction contract/agreement can be signed.
- If an IAG is used for the response action, a SSC must be signed before the IAG can be issued
- As part of its assurances, the state must agree to pay its cost share of 10 percent for a RA or NTC removal at privately operated sites, or 50 percent of all prior and future Superfund activities at publicly operated sites. These assurances are made prior to RA start.
- Contains program assurances and cost share payment schedule.

Development

- The SSC is developed by regional program office.

Accounts Receivable

- In most cases, states are required to provide cash payments to EPA for cost shares.
- As state cost share amounts become due, RPM/RPO forwards copy of SSC to Regional Comptroller's Office to record accounts receivable in IFMS.
- RPM/RPO will forward SSC modifications to Regional Comptroller's Office as required.

Payment Schedule

- The state can make its cost share payment(s) either in a lump sum advance or incrementally based on a payment schedule.
- If a state's cost share payment is received in advance, this amount should be used in lieu of EPA's appropriated funds. Matching amounts of reimbursable authority must be requested and issued before they can be used. Similarly, incremental progress payments should be applied to project costs where feasible in lieu of appropriated funds.

Billing

- According to the SSC payment schedule, the Regional Comptroller's Office will send the state a bill for collection indicating cost share amount to be paid.
- Regional Comptrollers Office will reference the SSC, including site name and site/spill identifier number on the bill.
- The state's payment is remitted to respective regional lockbox account.
- The state must include copy of bill with all remittances.

Receipt of Payment

- If payment is not received when due, the Regional Comptroller's Office will follow up with the state via dunning letters.
- Interest does not accrue on the billed amount if the state provides dollars before EPA obligates funds for RA. In this case, the Regional Comptroller's Office places amounts received in reimbursable account.

Closeout

- The RPM/RPO is responsible for advising the Regional Comptroller's Office to close out a SSC.
- Regional Comptroller's Office performs a reconciliation of financial data as part of the SSC close out process.
- State cost share funds remaining or received after the completion of work should be obligated to the project and the commensurate amount of appropriated funds deobligated for use at other sites.

III.E. COST RECOVERY PROCESS

CERCLA, as amended, imposes liability on responsible parties for the cost of responding to releases or threatened releases of hazardous substances from hazardous waste sites or spills. When these PRPs fail to clean up sites on their own, EPA may perform the cleanup and later attempt to recover the cleanup costs from the parties. Obtaining reimbursement for these costs through negotiation or judicial action is one of the primary goals of the Superfund program.

Cost recovery documentation is performed by a case development team composed of representatives from the Office of Regional Council (ORC), the regional program office, and the Regional SFO. The involvement and distribution of responsibilities of each of these offices during the cost recovery process varies among the regions, and may be defined by a Regional Inter-Office Memorandum of Understanding.

III.E.1. Cost Recovery Referral Development Process**a. Initiation of Cost Recovery Process**

- Regional program office prepares and submits cost recovery request through Regional Cost Recovery Coordinator (RCRC) to Regional SFO. The request identifies date through which costs are to be documented and date documentation is required.
- RCRC requests site-specific reports generated by the Superfund Cost Recovery Package and Image On-Line System (SCORPIOS) to provide cost basis for negotiations with PRPs.

b. Cost Documentation and Reconciliation

- Involves collecting and reviewing documentation to ensure accounting and cost information are recorded correctly, costs are properly charged, Account Numbers refer to the appropriate site, and costs on documents are accurately reflected in IFMS.
- SFO documents regional Superfund costs and prepares cost summary, computes indirect costs, provides expert and factual financial witness testimony, and interprets financial documents and SCORPIOS reports.
- ORC reviews final cost summary and documentation in preparation for litigation and takes appropriate action pursuant to the Privacy Act and Confidential Business Information requirements.

c. Work Performed Documentation and Reconciliation

- Involves collecting and reviewing documentation to ensure that costs are being pursued for appropriate site activities.
- RCRC assembles copies of any task-creating document (WA, Purchase Order, Delivery Order, etc.) as well as amendments, modifications, progress reports and close-out reports for the tasks included in the cost recovery referral.
- RCRC works with the SFO to ensure agreement between the cost and work performed documentation.
- ORC reviews final work performed documentation package and takes appropriate action pursuant to the Privacy Act and Confidential Business Information requirements.

d. Site File Maintenance

- Diligent maintenance is crucial to cost recovery and is a regional responsibility.
- Financial files are maintained by the FMO until two years after all cost recovery litigation is complete.
- Work performed files are maintained by contracts officials or RCRC in accordance with Agency disposal guidance.
- Disposal of files is permitted 30 years after cost recovery is completed or upon completion of imaging or when no longer needed, whichever is later.
- Cost recovery documentation should be maintained by the RCRC until required by the litigation team.

e. Superfund Indirect Costs

EPA incurs costs that are attributable to individual Superfund sites and indirect costs which support the operation of the Superfund program in general and which also support site cleanups, but cannot be directly accounted for by an individual site. Annual indirect cost rates are computed linking the cleanup activity with the level of benefits received from the support activities.

f. Annual Allocation

The Annual Allocation Reporting Process was implemented to allow the Agency to capture Superfund site-related contract costs consistently and accurately for the purpose of cost recovery and external reporting. This process is the means by which administrative and other non-site costs (program management, capital equipment, start-up and site-supported costs) associated with the contractors' direct site work are redistributed to the appropriate Superfund sites. The process requires that the contractors follow a documented methodology for allocating certain non-site specific costs to sites and submit an annual allocation report.

g. Cashout/Special Accounts

A cashout is money received by EPA, a state, or another PRP under the terms of a settlement agreement [such as a consent decree (CD), administrative order on consent (AOC) or consent agreement] to address future response action costs at a specified Superfund site.

EPA is authorized to establish and maintain site-specific special accounts where PRPs agree to make cash payments toward response costs at a site (i.e. cashout and/or cost recovery settlements). Cashouts accepted under this authority should be placed in EPA site-specific special accounts before they are used. Once these cash payments have been obtained, the Agency may begin obligating and outlaying the funds in accordance with the settlement agreement.

The Agency has developed a framework to manage and use special accounts to facilitate site cleanup. Regions are encouraged to create and use special accounts as an incentive to secure private party cleanups and to fund EPA lead response actions. Special account funds may also be used, where appropriate, to assist response actions performed by a state or other federal agencies.

For more information on special accounts, please refer to the "Consolidated Guidance on the Establishment, Management and Use of CERCLA Special Accounts" issued September 2002.

h. Department of Justice (DOJ) Involvement

DOJ and the United States attorneys act on behalf of EPA in all cost recovery litigation. Only DOJ has the authority to settle a claim for any dollar amount more than \$500,000. EPA has the authority to settle for amounts less than \$500,000 in non-judicial actions. As a result, DOJ's involvement is essential to recovery of costs.

III.F. SUPERFUND FINANCIAL CONTACT INFORMATION

This section provides regional and HQ contact information to assist in resolving and clarifying any financial management issues or difficulties that are encountered.

III.F.1. Regional Superfund Cost Recovery Contacts

Exhibit III-7 identifies the Regional Superfund Cost Recovery Contacts.

**EXHIBIT III-7.
REGIONAL COST RECOVERY CONTACTS**

Location/Region	Name of Contact	Phone Number
Region I	David Tornstrom Lee Clouthier Ruben Neira Robert Pavlucik	617/918-1135 617/918-1934 617/918-1939 617/918-1137
Region II	Richard Manna JoAnn Velez Leslie Peterson	212/637-3480 212/637-3462 212/637-4298
Region III	Daria Arnold Steven Pandza Diane Malancone	215/814-5171 215/814-5178 215/814-5172
Region IV	Connie Dempsy Sarah Franco Vickie Tellis Charles Hayes	404/562-8240 404/562- 8215 404/562-8218 404/562-8393
Region V	Betty White (Acting) Violet Stroggins	312/886-7955 312/353-4884
Region VI	Dennis McBride Regina Milbeck	214/665-7481 214/665-6540
Region VII	John Anderson Betty Saladin	913/551- 7470 913/551- 7309
Region VIII	Judy Lehmann Cheryl Pressley	303/312-6166 303/312-6507
Region IX	Yvonne Fong David Wood	415/972-3698 415/972-3709
Region X	Diane Norton	206/553-2962
Cincinnati Finance Center	Pat Newman	513/487-2059
Las Vegas Finance Center	Alan Lewis	702/798-2480
Research Triangle Park Finance Center	Gloria Owens Betty Hamilton	919/541- 0052 919/541- 4280

III.F.2. Headquarters Superfund Cost Recovery Contacts

Exhibit III-8 identifies the Headquarters Superfund Cost Recovery Contacts.

**EXHIBIT III-8.
HEADQUARTERS SUPERFUND COST RECOVERY CONTACTS**

Staff Name	Position	Areas of Specialization	Phone #
<u>Lindsey Andrews</u>	<u>Program Analyst</u>	<u>Superfund Interest Rate</u>	<u>202/564-0898</u>
Lex Barker	Program Analyst	Annual Allocation; Special Projects	202/564-1400
Kevin Brittingham	Accountant	National Cost Documentation Advisor; Special Projects	202/564-4941
Tommy Brown	Financial Specialist	Cost Documentation and Reporting; I/ Headquarters SCORPIOS Administrator	202/564-4936
<u>Bruce Cohen</u>	<u>Accountant</u>	<u>Green Plan Data Integration</u>	<u>202/564-0211</u>
Tom DeHoff	Accountant	Superfund Policy, Special Projects	202/564-4946
Bernadette Dunn	Accountant	Superfund Indirect Rates	202/564-4963
Iantha Gilmore	Staff Director (Acting)	Superfund Policy Advisor, Financial Data Integration	202/564-7654
Tanya Jenifer	Financial Specialist	Cost Documentation; Payroll	202/564-4986
Leslie Kelley-Huffman	Accountant	Annual Allocation	202/564-4805
Levy Mazyck	Accountant	Superfund Indirect Costs	202/564-5219
Tina Van Pelt	Accountant	Annual Allocation; Superfund Contractor Invoice Accounting and Adjustment	202/564-4984

III.F.3. Regional Budget Coordinators

Exhibit III-9 identifies the Regional Budget Coordinators. In each region a Budget Coordinator serves as the regional lead for all Superfund program resource activities. The Budget Coordinator:

- Coordinates the planning, development and reporting of resources;
- Coordinates the planning and execution of regional priorities;
- Communicates and implements national and regional Superfund budget policies;
- Helps IMC to ensure regional resources associated with accomplishments are complete, current, and consistent, and accurately reflected in [CERCLIS](#); and
- Provides liaison to HQ on program issues.

**EXHIBIT III-9.
REGIONAL BUDGET COORDINATORS**

Name/Region	Phone #	Fax #
Susan Walter/Region I	(617) 918-1447	(617) 918-1291
Courtney McEnery /Region II	(212) 637-4295	(212) 637-4360
Robin Williams/Region III	(215) 814-3133	(215) 814-3015
Charlotte Whitley/Region IV	(404) 562-8863	(404) 562-8628
Vincent Saunders /Region V	(312) 353-9077	(312) 353-9306
Helen Newman/Region VI Alternate/Carlene Chambers	(214) 665-6657 (214) 665-3181	(214) 665-6660
Teri Hankins/Region VII	(913) 551-7118	(913) 551-7145
Roger Hogerheide/Region VIII	(303) 312-6159	(303) 312-6065 (303) 312-6897
Linda Ma/Region IX Alternate/Eugene Rainwater	(415) 972-3232 (415) 972-3217	(415) 947-3528
Lynne Kershner/Region X	(206) 553-6518	(206) 553-0124

III.F.4. Subject Matter Experts

Exhibit III-10 identifies the Headquarters Subject Matter Experts (SMEs) for budget and financial information. The following Headquarters program officers are responsible for Superfund budget planning and execution.

- Office of Solid Waste and Emergency Response (OSWER)
Response Budget - Budget Planning and Evaluation Branch (BPEB) in the Office of Superfund Remediation and Technology Innovation (OSRTI)
Federal facilities Response Budget - Federal facilities Restoration and Reuse Office (FFRRO)
- Office of Enforcement and Compliance Assurance (OECA)
Enforcement Budget (Technical and Legal) - Program Evaluation and Coordination Branch (PECB) and the Program Operations Staff (POS) in the Office of Site Remediation Enforcement (OSRE)
Federal facilities Enforcement - Federal facilities Enforcement Office (FFEO)
- Office of Chief Financial Officer (OCFO)/ Office of Financial Management (OFM)
Annual Budget process - Annual Planning and Budget Division (APBD)

**EXHIBIT III-10.
HEADQUARTERS SUBJECT MATTER EXPERTS**

Subject Matter Expert	Subject Area	Phone #
Alan Youkeles	Chapter 3 Lead / Action Codes - BPEB/OSTRI	703/603-8784
Alice Ludington	Annual Budget Process - OSRE	202/564-6066
Willie Griffin	Annual Budget Process - BPEB/OSRTI	703/603-8911
Art Flaks	Budget & Planning - BPEB	703/603-9088
Hortensia Coffee	BRAC & Federal facility Response Budget	703/603-0053
Laura Milton	Enforcement Budget	202/564-6017
Marie Bell	Federal facilities Response Budget Execution	703/603-0050
Lance Elson	Federal facilities Enforcement Budget	202/564-2577
Diane Keltz	OCFO	202/564-7688
Armando Santiago	OEM/Removals	202/564-8002
Larry Wilbon	OSWER	202/566-1903
Joan Harrigan-Farrelly	Resource Management	703/ 603-8914
Robert White	SCAP Report Coordinator	703/603-8873
Kevin Brittingham	Superfund Financial Management	202/564-4941
<u>Tanya Jenifer</u>	<u>Superfund Financial Management</u>	<u>202/564-7572</u>